



City of Milwaukee

Meeting Minutes

MILWAUKEE HOUSING TRUST FUND TASK FORCE

ALD. MICHAEL MURPHY, CHAIR

Ald. Michael McGee, Jr., Vice-Chair

Tom Capp, Sup. Marina Dimitrijevic, Heather Dummer Combs, Rocky Marcoux, Lucia Murtaugh, Tony Perez, Brian Peters, Leo Ries, Bethany Sanchez, Mike Soika, Robert Shelledy

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Thursday, May 4, 2006

1:00 PM

Room 301-B, City Hall

Meeting convened: 1:10 P.M.

Members present: Mike Soika, Heather Dummer Combs, Brian Peters, Michael McGee, Michael Murphy, Lucia Murtaugh, Bethany Sanchez, Robert Shelledy, Una Van Duvall and Tom Capp

Members excused: Sup. Marina Ditrjevic, Tony Perez and Leo Ries

1. Presentation by and discussion with Ms. Mary Brooks, Project Director of the Housing Trust Fund Project, with the Center for Community Change in Washington, D.C.

Ms. Brooks noted that affordable housing efforts have historically relied on federal funds and budget appropriations, which are dramatically decreasing. Ms. Brooks stated that securing a dedicated source of revenue is the key to creating and maintaining a housing trust fund.

There are 38 states with housing trust funds and 45 city housing trust funds. Almost all housing trust funds are administered by a government agency because public funds are involved. Ms. Brooks is a huge supporter of an oversight board. The programs aspect is the most challenging in terms of getting a consensus on how the funds should be spent.

Housing trust funds are typically targeted to serve the lowest income in the community. If 80% of median income is set as the target and money isn't set aside for the poorest of the poor, then 80% of median income is the group that will be served. Most funds give out their money through grants and loans. The money comes into the fund every year and is spent every year. Money is applied for through a request for proposal process, with an overlying ordinance setting the criteria for recipients.

Obtaining revenue for a trust fund is politically difficult. There are 40 sources of revenue among the various trust funds, including creation of a condominium conversion fee, hotel-motel tax, developer linkage fees (the most common at the city level) and a sales tax among others. It's important to find some new, rather than existing, revenue so the fund is not merely taking money from the general revenue. Affordable housing needs will be constant as long as wages cannot keep up with housing costs.

Boulder, Chicago, St. Louis, Minneapolis, Seattle, Columbus and Cambridge have successful housing trust funds. Ten percent of the housing in Boulder is set aside as permanently affordable due to the housing trust fund. Housing does have a large, positive, documented impact on the economy, with many housing trust funds tracking

their economic benefits. In the nation's 60 largest housing markets, administrative support, clerical occupations and services jobs account for 1/3 of the workforce. Janitors can afford housing in only 10% of those areas; salespersons in only 5%.

Ms. Brooks feels that broadening who the funds serve may dilute support for that fund. She notes that overcrowding has increased in Milwaukee, which shows that more people are edging closer to homelessness. Ms. Brooks feels that accessibility standards, green housing principles, keeping units affordable and who is served are all important issues for the fund to look at

In the nearly 30-year history of housing trust funds, only one fund has ever been dismantled.

The 3 earliest housing trust funds were created in Boston, Palo Alto and Sacramento. Ald. McGee asked if trust funds have been used for property tax relief for low-income owners and Ms. Brooks noted that some do use funds for that. The oversight board is usually the body reacting to changing market conditions on an annual basis.

Ms. Brooks recommended looking at Philadelphia's ordinance for general background and the City of Chicago in terms of who benefits. She will also forward a copy of a sample ordinance.

Steve Adams, a member of the audience, asked about tapping pension funds for a housing trust fund. Ms. Brooks was aware of one instance where this was done, but not successfully. Ms. Brooks noted that tapping wealthy individuals has typically been done after a trust fund has successfully been in operation for a period of time.

Meeting adjourned: 1:56 P.M.

*Linda M. Elmer
Staff Assistant*